Executive Office of the President
Office of Management and Budget
Office of Federal Procurement Policy
Key Initiatives – April 2019
US Procurement Landscape
Scale and Scope of Federal Acquisition
Overall Federal Contract Spend
(billions of USD)

<table>
<thead>
<tr>
<th>Year</th>
<th>Overall Spend</th>
<th>Civilian Agencies</th>
<th>Department of Defense</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 15</td>
<td>439.92</td>
<td>165.38</td>
<td>274.54</td>
</tr>
<tr>
<td>FY 16</td>
<td>475.09</td>
<td>176.66</td>
<td>298.43</td>
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<tr>
<td>FY 17</td>
<td>510.23</td>
<td>188.62</td>
<td>321.61</td>
</tr>
<tr>
<td>FY 18</td>
<td>554.6</td>
<td>196.07</td>
<td>358.53</td>
</tr>
</tbody>
</table>

Civilian Agencies | Department of Defense
SPENDING DETAILS

OMB OFPP promotes economy and efficiency in over $550B in federal contracting through:

- **Regulatory and Management Leadership** - Leading development and implementation of guidance, the Federal Acquisition Regulation (FAR), and legislation
- **Workforce Management** – lead civilian agency acquisition workforce development
- **Small Business Participation** - Increasing small business participation to meet or exceed 23% statutory goal
- **Transparency & Data Management** - Promoting transparency of more than 3 million Federal contracts awarded each year (through 40 million transactions) to 142,000 contractors
- **Maximizing Buying Power** - Leveraging over $300B in common spend through category management
  - Over 3,200 procurement organizations
  - 85% of spending comes from the top 7 agencies
- **Promoting Shared Services** – $28B common spending on support functions
- **Sparking Innovation** – Encouraging new, innovative buying practices, and success sharing
- **Supporting the President’s Management Agenda**
  - Category Management (Goal #7)
  - Improving Major Acquisition (Goal #11)
  - Sharing Quality Service (Goal #5)
  - Acquisition Innovation and Modernization (supporting)
ACQUISITION ARC

Context for Efforts to Modernize Federal Contracting

- Hardware/Software
- Professional Services
- Medical
- Travel

- Weapon Systems
- R&D

Federal Contracting

$330B in common spend in 10 categories

$220B in higher-risk, complex acquisitions

Move from low-value work to higher-value work using CM and shared service for common spend and promote innovative acquisition strategies for more complex requirements
The President’s Management Agenda (PMA) is helping the government modernize to improve mission, service, and stewardship.

OFPP leads three Cross-Agency Priority (CAP) Goals:
• Using Common Solutions - Category Management (with DoD)
• Sharing Quality Services (with OFCIO)
• Program Management Improvement (with PPM)

OFPP is also supporting a number of the other goals, such as moving to high-value work, through ‘Acquisition Innovation and Modernization’ efforts.

www.performance.gov/PMA
Building toward the Long-Term Vision

Enabling Mechanisms

Initiative Return

Quick Wins:
→ OMB support
→ AIAs
→ Innovation Hub

Major “Big Rocks”
→ Scaling: agency identified champions and pilots
→ Test program authority

Transformational Opportunities
→ Twenty-first century workforce guided by outcome based procurement
→ Self-sustained business models

Innovation

Future Actions

Pay for Results
Cross-Agency Priority Goals

Key Drivers of Transformation

Cross-Cutting Priority Areas

- Improving Customer Experience (CAP Goal 4)
- Sharing Quality Services (CAP Goal 5)
- Shifting From Low-value to High-value Work (CAP Goal 6)

Functionality Priority Areas

- Category Management (CAP Goal 7)
- Results-Oriented Accountability for Grants (CAP Goal 8)
- Getting Payments Right (CAP Goal 9)
- Federal IT Spending Transparency (CAP Goal 10)
- Improve Management of Major Acquisitions (CAP Goal 11)
Category Management Governance

Category Management Leadership Council

Lesley Field, OMB, Deputy Administrator of Office of Federal Procurement Policy (OFPP) – Category Management CAP Goal Co-Lead.

Lisa Hershman, Acting Chief Management Officer, Department of Defense – Category Management CAP Goal Co-Lead.

Category Management PMO (GSA)

Provides overall program management support to category managers, including development of guidance, data analytics, build out of dashboards and tools.

Acquisition Gateway

A single portal to support smarter buying for federal employees, including best practices, prices paid, contract terms and conditions, transactional information (such as prices paid data), white papers, market research, and information on procurement alternatives.

Category Managers

Government experts in the 10 categories - develop the government-wide strategy to drive improved performance and act as change agents for the category.

Category Team

Responsible for the development and execution of category strategies for a specific category (e.g., IT).

Sub-Category Team

Responsible for the development and execution of category-specific sub-strategies (e.g., IT software within the IT category).

Commodity Team

Traditional strategic sourcing working group formed when the category management process identifies the need for a new acquisition solution.

Teams are supported by close to 400 representatives across all agencies
### Using Common Contract Solutions: Category Management

#### Cross-Agency Priority (CAP) Goal 7

**GOAL:** Agencies spend less time and money buying common goods and services and focus on mission critical requirements

<table>
<thead>
<tr>
<th>Previous State of Purchasing:</th>
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<tbody>
<tr>
<td>Little leveraged buying power for over $300B in common spend—billions left on the table</td>
</tr>
<tr>
<td>Lack of mechanisms to support coordination across agencies</td>
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<tr>
<td>Duplicated efforts with contracts, for example, 2,200+ contracts being held by a single vendor across government</td>
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<tr>
<td>Large price variations for same product/service (ex: 300% differential for same laptop; double the cost for dry erase boards from two different suppliers)</td>
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<table>
<thead>
<tr>
<th>Future State of Purchasing:</th>
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</thead>
<tbody>
<tr>
<td>Achievement of savings / cost avoidance and increased spend under management (SUM)</td>
</tr>
<tr>
<td>Improved coordination across government with expert-led, interagency teams to implement strategies based on data and one single portal (Acquisition Gateway) for information sharing</td>
</tr>
<tr>
<td>Identification of best-in-class vehicles – which save on average 1-15% - for all categories of spend and reduction in stand-alone contracts</td>
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<tr>
<td>Ability to consult industry in developing category strategies and increased small business participation</td>
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New OMB guidance on category management

Acquisition Gateway – resource and information hub
[https://hallways.cap.gsa.gov/app/#/](https://hallways.cap.gsa.gov/app/#/)
Category Management Results and New Guidance

Success to date:

• **Saving money**: Saved taxpayers over $17 billion through better pricing, reduced demand, and admin savings
• **Spending smarter**: Moved over $140 billion in spending to better-managed solutions
• **Reducing waste & inefficiency**: Eliminated over 31,000 duplicative or sub-optimized contracts not aligned to category management (more than 95% of reduction was in contracts held by *other than small businesses*)
• **Sharing solutions**: Developed a rigorous process to identify nearly 40 of the highest-performing contracts for common needs
• **Increasing small business participation**: Increased the percentage of the government’s contract spend going to small businesses
• **Setting modest FY19 goals for continued success**

• **OMB issued new guidance in March that 1) institutionalizes CM, and 2) harmonizes small business requirements**
  - **Making CM the way agencies buy common goods and services - key requirements:**
    - Create annual agency-wide goals to successfully implement CM, consistent with small business and socioeconomic requirements – due to OMB in October
    - Develop plans to engage with industry and improve vendor relationships
    - Strengthen demand management plans to avoid wasteful spending
    - Share prices-paid and other related data to improve government buying
    - Train employees in CM principles and policies
  - **Harmonizing CM and small business requirements**
    - Small business goaling unchanged: Agencies remain responsible for meeting their small business contracting goals
    - Success through balance: Agencies are expected to manage contract spending through a balance of Government-wide, agency-wide, and local contracts
      - BICs are one tool only; agencies decide when they’re appropriate – goals are models
      - Other tools play a role too (e.g., agency set-aside contract for local use can help attract new entrant small businesses)
    - Role of small business advocates: SBA and OSDBUs will serve as strategic advisors to SAOs, agency workforce, & government-wide small business solution owners informed by small business dashboard & other information
### Sharing Quality Services

**CAP Goal 5**

**GOAL:** Improve quality and reduce cost of core administrative functions – financial, human resources, procurement, information technology and grants - that support mission delivery

<table>
<thead>
<tr>
<th>Current State of Mission Support Services:</th>
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</thead>
<tbody>
<tr>
<td>Services often replicated hundreds or thousands of times each day, consuming time and resources that could be better directed to mission delivery.</td>
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<td></td>
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<tr>
<td>▪ Implementation is carried out through a confusing array of policies, systems, processes, and data that are in need of modernization.</td>
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<tr>
<td>▪ Federal agency benchmarking data reveal that only 30% of Federal agencies identify core financial management and human resource functions as efficient (defined as high quality at low cost).</td>
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<tr>
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<tr>
<td>▪ Core mission support service activities are often individually replicated hundreds or thousands of times each day, consuming time and resources that could be better directed to mission delivery.</td>
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<table>
<thead>
<tr>
<th>Future State of Mission Support Services:</th>
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<tr>
<td>Services that cut costs and speed mission delivery by delivering high quality, efficient mission support services</td>
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<tr>
<td>▪ The prior integrated, one-size-fits-all approach is modified to offer a continuum of options.</td>
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<tr>
<td>▪ Agency options include centralized services, common solutions (such as contracts or IT applications), common contract solutions (increasing use of Best In Class contracts) and shared services.</td>
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<tr>
<td>▪ Agencies move to solutions that either align with their current maturity in administrative services or skip to the optimal mix of options.</td>
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<tr>
<td>• PAYROLL FIRST</td>
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</table>
**Acquisition Innovation and Modernization**

**GOAL:** Agency acquisition is more responsive to the needs of mission managers, with an emphasis on major acquisitions that support critical agency programs and projects.

<table>
<thead>
<tr>
<th>Current State: Acquisition processes remain captive to a risk averse culture that rewards compliance over creativity.</th>
<th>Future State: Increase agency capacity to test and adopt modern and innovative acquisition practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most agencies operate within a culture that is risk averse (e.g., fears protests and the criticism of oversight), which can make information sharing between agencies difficult even when successes are achieved.</td>
<td>Bringing greater efficiencies into the acquisition system so it is more responsive helps achieve:</td>
</tr>
<tr>
<td></td>
<td>a) administrative cost savings and lower transaction costs,</td>
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<td>b) rapid acquisition lead times,</td>
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<td></td>
<td>c) improved customer and vendor satisfaction, and</td>
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<td></td>
<td>d) increased access to technically capable contractors;</td>
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</table>

Acquisition Innovation Hub on Gateway
https://hallways.cap.gsa.gov/app/#/gateway/acquisition-innovation-0
Current State: Program Management is undervalued and applied inconsistently. Cost overruns and schedule delays have become routine

- Program Management Policy Council (PMPC) formed FY 18 Q4
- OFPP Administrator serves on the PMPC
- Agencies designated Program Management Improvement Officers (PMIOs)

Future State: Agency funding goes toward the mission instead of expensive overruns and project failures

- The workforce’s program management skills foster critical thinking
- Strong agency governance is integrated with the acquisition process and promotes innovative practices
- Investment progress is tracked using portfolio management principles
- Cost, schedule and performance data is an asset

GOAL: Federal agencies will ensure contracts supporting transformative and other priority projects will meet or beat delivery schedules, provide exceptional customer service, and achieve savings or cost avoidance for the taxpayer
Modernizing IT Procurement, Strengthening Security, and Leveraging IT to Improve Acquisition

Modernizing IT Procurement

- IT Modernization is a key pillar of the President’s Management Agenda and underlies critical efforts to modernize how the government delivers services to the public. OMB works closely with agency partners to promote practices that can modernize how we buy IT:
  - Focus on IT supporting workforce, not inverse.
  - Focus on making data useful across multiple functions to support agency mission.
  - Category Management – reduce duplication for commonly purchased hardware and software so that the government takes advantage of its buying power and shift workforce to higher priority activities, away from duplication.
  - Innovation – promote the use of new business practices to shorten the acquisition cycle, reduce burden on vendors and government, and encourage new, more innovative solutions.
  - Digital IT Acquisition Professionals (DITAP) – focus on buying IT in new and better ways through agile software development and other emerging practices.
  - DoD organizations have been pushing forward in various areas
Myth-busting and Using Feedback

OFPP Myth-busters Campaign to Improve Government/Industry Engagement

Government/Industry communication is critical to getting requirements right, maintaining good relationships throughout the acquisition lifecycle, and encouraging new entrants.

- OMB "myth-busting" series where commonly-held misunderstandings about industry-government engagement are addressed, and agencies and industry are provided with strategies and best practices for overcoming these misconceptions. Can be found on Inreach Hub at https://hallways.cap.gsa.gov/app/#/gateway/ofpp-hub
- The "myth-busting" memos target both the government and the private sector and list practical steps to enhance communication from each others' perspectives. Presented in an easily digestible “myth” and “fact” format, with added real-world agency practices, the “myth-busting” series have been welcomed by both the Federal workforce and private sector. The fourth guidance document will be issued shortly.

Acquisition 360 provides contractor and government feedback on how well an acquisition was run

Allowing vendors to rate agencies on their customer experience is aligned with the PMA effort to capture and improve customer experience and reduce burden. Acquisition 360 can help identify best practices and areas of opportunity as we improve and modernize the acquisition system.

- OMB has run a pilot program to capture information from vendors who bid on an acquisition regarding the quality of their experience with that agency/bureau. Vendors are invited to anonymously and voluntarily provide feedback on the quality of the requirements, timeliness of communications, quality of debriefings, etc.
Project In-Reach – Finding Policies, Tools, and Practices

*Project InReach* – improving two-way communication with the acquisition workforce.

Increase awareness about government-wide policies, tools and best practices being used to achieve positive results

Improve engagement to support policy development and government-wide initiatives.

- Single location on Acquisition Gateway [https://hallways.cap.gsa.gov/app/#/gateway/ofpp-hub](https://hallways.cap.gsa.gov/app/#/gateway/ofpp-hub) to find policies and tools as well as find and submit success stories
- Success story drive to start May 2
- Do you have any thoughts, ideas, or suggestions for using/sharing/accessing data in the procure-to-pay lifecycle that you want to share?
- Any tools, apps, etc locally developed that may benefit others?
- Any feedback on what is getting in your way that should be removed?
Federal Acquisition Data Management

Federal spending data are critical to ensuring we maximize our buying power, understand our supplier market, and are transparent with the public about where their tax dollars are going.

• Thank you for data quality efforts – Federal procurement data in FPDS* are used at all levels of the US Government, from program management to trade negotiations. Quality and reliability of data are essential.

• OMB works closely with DoD on government-wide data standards for procurement and procure-to-pay standards

• Efforts include:
  • Intergovernmental transfers – currently working with Treasury to align G-invoicing with FAR so tool can be used for interagency agreements related to assisted acquisitions
  • DATA Act – ongoing efforts to leverage data from authoritative sources and avoid duplication
  • Procurement data management – strategic focus on what is needed in future
  • Data sharing – using data from other sources to lead to better spending and management decisions (Bureau of Labor Statistics, SBA, etc)
  • Electronic invoicing – sharing data and creating a single entry point for contractors
  • Contract closeout – standardize processes, data, and electronic tools
  • Contractor identification – shifting to non-proprietary identification and initiatives related to supply chain, cyber, etc

*FPDS remains the system of record for all US Federal government procurement data.
Centralized Procurement Data Management Modernization – Integrated Award Environment

**Entity Information**
Over 630K registered businesses, non-profits and others. 60% of the 300K+ contract registrants are small businesses. 4.5M searches per month.

**Assistance Listings** – formerly CFDA (CFDA retired fall 2018)

**Contract Opportunities** – currently FBO
Average 23K announcements per day scheduled for retirement 1Q2020

**Contract Data – FPDS**
43.5M transactions per year (contract awards, modifications, orders, etc)

**System for Award Management**
Beta.sam.gov
Includes central data bank, access, reporting capabilities

**Wage Determinations** – WDOL
Scheduled for retirement 3Q 2019

**Past Performance & Integrity (CPARS, PPIRS, FAPIIS)**
PPIRS retired 2Q2019

**Sub-Award Data – eSRS and FSRS**

- Single agency hierarchy for grants and contracts
- All reps and certs in SAM (contracts and grants)
- Open source code and data as an asset
- Agile delivery
- Login.gov for credentialing
- Authoritative data for do not pay, financial systems for payments, USAspending.gov, small business goaling

Data transitioned, SAM.gov still official site
Transition complete, beta.sam.gov is now official site
Transition underway
Transition starting with reporting (output) capabilities
Transition underway
Transition underway
Transition underway
Last to transition
Last to transition
Last to transition